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PRICE DEVELOPMENTS REPORT JULY 2017

This report is prepared on a monthly basis using monthly Consumer Price Index (CPI) data from the Samoa Bureau of Statistics.

Report No.01: 2017/18

July 2017

The **headline Consumer Price Index (CPI)** increased by 0.8 percent over the month but was unchanged when compared to July 2016. The monthly hike was highlighted by an increase of 1.0 percent in its local component whereas imported component remained stable from the previous month.

To kick start FY 2017/18, the **annual average headline inflation rate** fell further to 1.1 percent from 1.3 percent at the end of June 2017 but was still above 0.1 percent in July last year. Primarily underpinning this overall decline was a further decrease in local inflation to -1.3 percent from -0.9 percent in the previous month, while imported inflation remained constant at 3.2 percent.

Analysing individual sub-groups, the *“Food and Non-Alcoholic Beverages”* sub-index increased by 2.6 percent. This was due to a 1.1 percent increase in its local component (mainly fish and taro), which went up by 25.0 percent and 23.7 percent respectively. Its imported component however, remained unchanged during the month, reflecting virtually unchanged prices for most of the food commodities namely chicken legs, turkey wings and mutton flaps to name a few.

Similarly, the *“Alcoholic Beverages and Tobacco”* sub-index edged up by 0.7 percent compared to the previous month. This resulted from a 0.6 percent increase in its local component (cigarette prices increasing by 1.7 percent) while its imported component rose by 1.1 percent (due to a rise of 2.1 percent in the price of Winfield tobacco).

The *“Housing, Water, Electricity, Gas and other Fuels”* sub-index went up by 2.0 percent, in light of a 3.0 percent hike in its local component (Rent – government house increase by 30 percent)

offsetting a slight decrease of 0.6 percent in its imported component.

On the contrary, the *“Transport”* sub-index dropped by 3.7 percent due to a 5.9 percent reduction in its local component as well as a 2.2 percent decline in its imported component. The former was underpinned by a significant reduction in the Apia-Auckland-Apia airfare by 37.2 percent while the former reflected a drop in petrol prices by 2.9 percent.

In addition, the *“Miscellaneous goods and services”*, *“Furnishing, Household equipment and Maintenance”*, and *“Clothing and Footwear”* sub-groups all dropped by 0.1 percent, 0.2 percent and 2.1 percent respectively. All other sub-indices such as *“Communication”*, *“Education”*, *“Health”*, *“Recreation and Culture”* and *“Restaurant”* remained unchanged during the month

The **underlying CPI**¹ increased by 0.9 percent in July 2017 and was also 1.6 percent higher over July 2016. However, the **underlying CPI inflation rate** remained unchanged at 1.5 percent as in the previous month but much higher than -3.3 percent in the same month of last year.

CENTRAL BANK OF SAMOA
17th AUGUST 2017

¹ Underlying CPI takes into account the effects of both external and local pressure on prices for commodities that are not subject to extreme volatility and price regulations.

Review of Price Developments July 2017

Table 1: HEADLINE CONSUMER PRICE INDEX (February 2016 = 100) **																				
	All Groups Index	Percentage change							Overall Import Component					Overall Local Component						
		Index	3 months average	12 months average	Latest month		3 mths avg		12 months over prev 12 months (AnnAvg)	Index	3 months avg	3mths av % chg	Monthly Change	Annual Average 12 months	Annual Average Percent Change	Index	3mths av % chg	Monthly Change	Annual Average 12 months	Annual Average Percent Change
					over prev month	over a year earlier	over prev 3mths avg	over a year earlier												
2015	June	99.4	99.8	100.0	0.3	0.4	-1.0	1.3	1.9	104.0	105.2	-2.7	-0.6	109.0	-0.8	96.5	0.1	0.9	94.4	4.0
2016	June	101.6	100.4	100.1	1.4	2.3	-0.9	0.6	0.1	103.9	101.2	1.0	3.6	101.5	-6.9	99.3	-2.3	-0.9	99.1	5.0
	July	103.4	101.7	100.3	1.8	2.5	2.1	1.9	0.1	104.9	103.0	3.5	1.0	101.6	-6.1	102.0	0.7	2.7	99.3	4.4
	August	101.7	102.2	100.6	-1.6	3.3	2.5	2.7	0.4	104.9	104.6	4.9	0.0	101.8	-5.3	98.5	0.1	-3.4	99.6	4.1
	September	101.3	102.1	100.9	-0.4	4.1	1.7	3.3	0.8	103.7	104.5	3.3	-1.1	102.0	-4.4	99.0	0.2	0.5	100.0	4.1
	October	100.5	101.2	101.0	-0.8	1.3	-0.6	2.9	0.9	103.6	104.1	1.0	-0.1	102.1	-3.6	97.5	-2.2	-1.5	100.0	3.7
	November	100.2	100.7	101.1	-0.3	0.6	-1.5	2.0	1.0	104.1	103.8	-0.7	0.5	102.2	-2.8	96.3	-2.3	-1.2	99.8	3.2
	December	101.0	100.6	101.1	0.8	0.6	-1.5	0.8	1.3	104.6	104.1	-0.4	0.5	102.5	-1.9	97.5	-2.7	1.2	99.7	2.9
2017	January	101.5	100.9	100.9	0.5	-2.8	-0.3	-0.6	0.8	104.3	104.3	0.3	-0.3	102.8	-1.0	98.8	-0.8	1.3	99.0	1.4
	February	101.6	101.4	101.0	0.1	1.6	0.7	-0.2	1.0	105.0	104.6	0.8	0.7	103.2	0.1	98.3	0.6	-0.5	98.9	0.9
	March	101.0	101.4	101.1	-0.6	1.4	0.8	0.0	1.2	105.1	104.8	0.7	0.1	103.6	1.1	97.0	1.0	-1.3	98.7	0.4
	April	100.7	101.1	101.2	-0.3	1.3	0.2	1.4	1.4	104.6	104.9	0.5	-0.5	104.1	2.2	97.0	-0.1	0.0	98.5	-0.1
	May	101.7	101.1	101.4	1.0	1.5	-0.2	1.4	1.4	104.6	104.8	0.1	0.0	104.4	2.9	98.9	-0.6	2.0	98.3	-0.6
	June	102.6	101.7	101.4	0.9	1.0	0.3	1.3	1.3	107.0	105.4	0.6	2.3	104.7	3.2	98.4	0.1	-0.5	98.3	-0.9
	July	103.4	102.6	101.4	0.8	0.0	1.5	0.8	1.1	107.0	106.2	1.2	0.0	104.9	3.2	99.4	1.5	1.0	98.1	-1.3

Source: CPI data from February 2016 onwards are from the Samoa Bureau of Statistics.
Historical CPI figures from SBS prior to February 2016 and further spliced by the CBS to later years.
(R) - Revised due to adjustments made from Samoa Bureau of Statistics (SBS)
** New CPI Index reflecting the 2013/14 Household Income and Expenditures Survey

Table 2: UNDERLYING CONSUMER PRICE INDEX (February 2016 = 100) **															
	All Groups Index	Percent Changes			Overall Import Component				Overall Local Component						
		2 months average	12 months average	Latest Month		Annual Average Percent Change	Index	12 months avg	Monthly Change	Annual Average Percent Change	Index	12 months avg	Monthly Change	Annual Average Percent Change	
				over prev month	over a year earlier										
2015	June	102.2	102.3	104.8	-0.3	-3.1	0.6	102.7	106.8	-0.5	0.4	100.6	98.8	0.1	1.2
2016	June	103.3	101.9	100.9	2.8	1.1	-3.7	104.7	101.1	4.0	-5.4	100.3	100.3	0.2	1.5
	July	102.9	103.1	101.0	-0.4	1.6	-3.3	103.9	101.3	-0.8	-4.7	100.7	100.3	0.4	1.4
	August	102.7	102.8	101.2	-0.2	2.1	-2.7	103.6	101.5	-0.3	-3.9	100.6	100.4	-0.1	1.3
	September	102.7	102.7	101.4	0.0	2.1	-2.1	103.7	101.8	0.1	-3.0	100.3	100.3	-0.3	1.1
	October	102.7	102.7	101.5	0.0	1.5	-1.6	103.7	102.0	0.0	-2.3	100.3	100.3	0.0	0.9
	November	102.5	102.6	101.6	-0.2	1.4	-1.2	103.4	102.2	-0.3	-1.6	100.3	100.3	0.0	0.6
	December	102.2	102.4	101.7	-0.3	1.5	-0.7	103.0	102.4	-0.4	-1.0	100.3	100.3	0.0	0.5
2017	January	102.4	102.3	101.9	0.2	1.8	-0.2	103.4	102.6	0.4	-0.1	100.3	100.3	0.0	0.1
	February	101.9	102.2	102.1	-0.5	1.9	0.4	102.7	102.8	-0.7	0.7	100.0	100.3	-0.3	-0.1
	March	101.8	101.9	102.2	-0.1	1.6	0.9	102.6	103.0	-0.1	1.4	100.1	100.3	0.1	-0.1
	April	101.2	101.5	102.2	-0.6	0.6	1.3	102.0	103.1	-0.6	2.0	99.5	100.2	-0.6	-0.2
	May	101.9	101.6	102.4	0.7	1.4	1.6	102.9	103.3	0.9	2.4	99.7	100.2	0.2	-0.2
	June	103.6	102.8	102.4	1.7	0.3	1.5	105.5	103.4	2.5	2.3	99.5	100.1	-0.2	-0.2
	July	104.5	104.1	102.5	0.9	1.6	1.5	106.9	103.6	1.3	2.3	99.3	100.0	-0.2	-0.3

Source: Samoa Bureau of Statistics
(R) - Revised due to adjustments made from Samoa Bureau of Statistics (SBS)
** New CPI Index reflecting the 2013/14 Household Income and Expenditures Survey